

SENATE BILL 2771
By Graves

AN ACT to amend Tennessee Code Annotated, Title 33 and Title 37, relative to limiting damages for actions arising in torts for facilities, community mental health centers and child care agencies contracting with the state.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 2, Part 4, is amended by adding the following new section:

33-2-421.

Facilities that are licensed entities and that are exempt from federal income taxation under 501(c)(3) of the Internal Revenue Code shall only be liable for damages up to the sum of three hundred thousand dollars (\$300,000) per claimant and one million dollars (\$1,000,000) per occurrence for actions arising in tort during the time that the facilities are contracting with the division of mental retardation services or its successor to provide residential services for individuals with development disabilities or mental retardation. This limitation of liability shall not be applicable to willful, malicious, or criminal acts or omissions.

SECTION 2. Tennessee Code Annotated, Title 37, Chapter 5, Part 5, is amended by adding the following new section:

37-5-520.

Child care agencies and community mental health centers as defined in title 33, chapter 1, part 1, that are exempt from federal income taxation under 501(c)(3) of the Internal Revenue Code shall only be liable for damages up to the sum of three hundred thousand dollars (\$300,000) per claimant and one million dollars (\$1,000,000) per occurrence for actions arising in tort during the time that the child care agencies and

community mental health centers are contracting with the department of children services to provide residential services for children in state custody. This limitation of liability shall not be applicable to willful, malicious, or criminal acts or omissions.

SECTION 3. This act shall not be applicable to claims that are within the jurisdiction of the Tennessee claims commission, or to persons or entities immune from liability under Tennessee Code Annotated, Title 9, Chapter 8, Part 3.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.